

The authoritative service for broadcasting, consumer electronics & allied fields

JUNE 19, 1971

SUMMARY-INDEX OF WEEK'S NEWS

VOL. 11, NO. 29

Broadcast

UNEASY TRUCE FOLLOWS CONTEMPT WAR: Industry leaders see 'a lot of scar tissue' on Hill following House's 226-181 vote killing Stagers' contempt move against CBS, urge colleagues 'play this cool.' Macdonald plans hearings 'long after summer recess' on editing practices in documentaries, promises no harassment. (P. 1)

CABLE PLANS STILL ON TRACK: Nearing final action, Commission follows proposals outlined to Senate on distant signals, access, etc. Effective date not yet chosen. Symons heads NCTA presidential selection committee; Exec. Committee members chosen. (P. 3)

ABC REPORTS ON TV VIOLENCE: While exposure of children to TV violence doesn't lead to 'heightened aggressive behavior,' it does create 'negativism, resentment & suspicion,' ABC says, reporting initial findings of 2 studies. (P. 4)

Consumer Electronics

TAIWAN TV EXPORTS SEEN CLIMBING to 2.4 million annual rate in 2nd half, as new plants go on stream. Tatung Engineering buys Sylvania Hong Kong TV equipment. Japan yen revaluation would cut TV exports by 18% says MITI. (P. 7)

UNEASY TRUCE AFTER CONTEMPT-CITATION WAR: Will revenge & retaliation be order of the day on House Commerce Committee? That's salient question hanging in air following House's 226-181 vote against Chmn. Stagers' (D-W. Va.) effort to get CBS cited for contempt for refusing to deliver "Selling of the Pentagon" outtakes. There are conflicting evaluations, of course, but broadcast industry leadership is taking conservative view that life on the Hill will be no picnic for some time.

Stagers has shifted network-editing controversy from Investigations Subcommittee back to Communications Subcommittee. Chmn. of latter, Rep. Macdonald (D-Mass.), told us: "I'm not in any punitive mood. Hearings are possible...but long after the summer recess" which runs Aug. 6-Sept. 8. "The networks won't get harassed by my Subcommittee... I think they got the message loud-&-clear. If [floor debate] didn't shake them up, then nothing will." He said hearings will be aimed at editing practices in documentaries, not regular news programs. "I don't want to fiddle around with news," he said, "but documentaries are something else."

With blessing of Stagers, Rep. Keith (R-Mass.), ranking Republican on Macdonald's Subcommittee, introduced bill prohibiting staging, rearranging events or statements, or interviews labeled as spontaneous when they're not. Similar bills are pending, and observers predict

BEST JUNE TV SALES EVER logged by industry. Month's sales of 879,000 TVs; 474,000 color sets, are new record highs. Second quarter color TV sales also set record; volume for half just 2% behind 1969. (Pp. 8 & 10)

TV X-RAYS STILL PROBLEM according to new Suffolk County survey. Study shows new color sets aren't radiating, but misadjustment of high voltage controls by consumers & untrained repairmen is causing excessive emissions from older models. CEG's Service Committee developing booklet on proper color TV servicing techniques. (P. 8)

15% OF COLOR SETS ARE REPLACEMENTS: GTE Sylvania figures show that of estimated 5.5 million color sets sold last year, 830,000 were replacements, estimates 2.4 million color sets replaced to date. Figure compares with 11% in 1969, 7.5% in '68, 5.8% in '67, 5% in '66. (P. 9)

RCA & CBS OPEN FEUD on 4-channel disc systems. RCA says discrete disc, such as Japan Victor's, is only way to go. CBS says SQ matrix system provides superior sound, notes compatibility with stereo FM. Westinghouse to 4-channel. (P. 10)

FIRST HALF SALES RECOVERY reflected in financial reports. Magnavox posts record half & 2nd quarter sales. Warwick indicates profit for 2nd quarter. Ampex annual report. (P. 10)

JAWBONING ON 4-CHANNEL: Reviving memories of old battles—45 vs. 33-1/3 rpm & field sequential vs. NTSC color—CBS & RCA are at it again. This time, feud is over compatible 4-channel disc system.

Moving to counter favorable response CBS Records' SQ matrix disc system received at showings in Switzerland & Chicago, RCA Records released position paper stating that acceptable disc system must be both discrete and fully compatible with present stereo phono equipment. Only system meeting both conditions is CD-4 development of Japan Victor, while CBS system "is capable of compatibility but is not 'discrete,'" RCA said. "Public response to this and other systems" will be watched closely, and in meantime RCA "will continue to devote its engineering effort to develop a '4-discrete' channel phonograph record which will be capable of compatibility playback on existing stereo phonograph players." At week's end, RCA Records issued firm denial of published reports it was adopting Victor's CD-4 system.

For its part, CBS notes that labs "developed a discrete modulation-type disc system in 1969," but switched to matrix (SQ) because quality was below that of current stereo LPs. In contrast to modulation disc, CBS said, matrix records can be broadcast by currently acceptable stereo FM methods, with in-home decoders separating information into 4-channels.

Newest big-name adherent to 4-channel is Westinghouse, which introduced 4 models in new Audio IV Quadtrix series, which provide derived 4-channel sound from standard stereo phono or tape source, priced from \$170.

FCC has proposed limits on radiation from restricted radiation devices, including inexpensive TV cameras, VTRs & cartridges. It also proposed that Commission type approve these devices. Action was response to Motorola petition asking for rules to cover EVR. Commission said there was "beneficial utility" in coupling TV cameras with standard TV receivers for many special purposes in industry, govt., schools, etc., but wished to avoid uncontrolled use of radio spectrum and harmful interference. Comments are due Aug. 25, replies Sept. 6.

Cartridge TV public offering of 1.1 million shares went on sale July 13 at \$20, was \$19.25 bid at week's end. Underwriting group, led by Hornblower & Weeks, said issue hadn't sold out. Preceding week, Superscope's 500,000-share offering was sold out at \$23.50.

Sanyo's Consumer Electronics Show-stopper, 12V" b/w portable with fair trade list of \$59.95 is being advertised "reduced to \$64.50," at Masters, N. Y. discount chain.

Color TV picture tube gun mounts are being produced by recently formed Cusack Electronics, 16525 Van Dam Road, S. Holland, Ill. Principals are Ted Cusack & W. E. Olsen, ex-National Video.

FTC issued finalized consent order, closing out case against Magnavox's pricing & franchising policies (Vol. 11:17 p8).

MAGNAVOX, WARWICK, AMPEX: Continuation of industry's financial recovery was evidenced in half-year results announced last week by Magnavox & Warwick (see financial table).

Magnavox reported record first-half & 2nd quarter sales, up 18% & 16% respectively from same 1970 periods. Profits rose 39% for half, 41% for quarter. Firm said Consumer Electronics Div. had "marked sales increases," "excellent" profit gain and "improvement in market penetration of major product areas was achieved..."

Warwick posted indicated \$321,000 profit in 2nd quarter, vs. \$6.8 million loss in same 1970 month. Sales in quarter were up 68.6% to \$45.8 million; first half sales gain was 60.8%. Renegotiated contract, under which Sears buys products as produced rather than when shipped (Vol. 10:43 p11), increased Warwick's first half sales by about \$31 million, reduced loss by some \$3.6 million. Parent Whirlpool reported 69% first half earnings gain on 5% sales increase.

Ampex annual report says 30% of \$290.9 million sales in fiscal 1971 (to May 1) were accounted for by leisure-entertainment products—consumer electronics and blank & recorded tape—vs. 24% in 1970. Firm's recorder-player line had strong first half, but sales "fell far below expectations" during Christmas season; pickup was seen in spring. Ampex plans to offer 4-channel recorded tapes later this year.

FIRST-HALF SALES: Milestones along recovery road are these monthly totals of domestic-brand distributor-to-dealer sales of consumer electronics products for year's first half, compared with same 1970 period, as obtained from EIA:

TELEVISION SALES TO DEALERS

Month	Total		Color		Monochrome	
	1971	1970	1971	1970	1971	1970
January	767,007	718,270	409,371	380,841	357,636	337,429
February	804,441	699,919	436,890	366,622	367,551	333,287
March (5 weeks)	931,694	814,714	492,656	386,847	439,038	427,867
April	668,053	516,343	343,625	247,521	324,428	268,002
May	603,285	447,431	325,725	206,223	277,560	241,200
June (5 weeks)	878,842	776,606	473,809	391,479	405,033	365,117
TOTAL	4,653,322	3,973,283	2,482,076	1,979,533	2,171,246	1,980,750

PHONOGRAPH SALES TO DEALERS

Month	Total		Portable & Table		Console	
	1971	1970	1971	1970	1971	1970
January	288,874	233,208	209,544	142,933	79,330	90,275
February	337,523	248,951	261,010	157,560	76,513	91,281
March (5 weeks)	357,088	305,486	285,547	199,578	71,541	105,908
April	239,611	145,528	193,206	99,852	46,405	47,338
May	162,167	159,208	117,251	111,880	44,916	84,536
June (5 weeks)	369,754	336,137	280,898	251,201	88,856	84,536
TOTAL	1,755,017	1,428,518	1,347,456	963,004	369,754	465,514

RADIO SALES TO DEALERS

Month	Home †		FM *		Auto	
	1971	1970	1971	1970	1971	1970
January	499,251	565,125	201,016	201,662	855,716	720,285
February	570,851	597,906	230,877	201,348	887,379	678,866
March (5 weeks)	762,603	611,171	281,382	219,014	1,058,510	848,001
April	769,374	430,462	335,805	140,679	825,580	794,001
May	581,995	372,750	220,353	129,254	877,036	794,001
June (5 weeks)	715,846	773,576	352,983	311,383	934,636	878,966
TOTAL	3,899,920	3,350,990	1,622,416	1,203,340	5,438,857	4,680,159

† Includes table, clock & portable.

* Included in home radio; excludes auto radios & radio-phones.

JULY 19, 1971
VOL. 11, NO. 29
JAPAN'S MAY EXPORTS
of most key consumer
side in May (Vol. 11:2
Ministry.
Total radio export
from May 1970 as 22%
offset 2.4% home radi
of phones & radio-phon
radio-recorder combi
low-power transceiver
Cassette recorder
item, with month's st
unit volume took 62%
held at year-earlier
May exports to U.S.,
comparison:
JAPANESE

Unit	1971	1970
Total TV	370,4	241,
color	124,	241,
b/w	4,	43,
b/w chassis, kits	43,	90,
Rad.-phono, stereo	269,	203,
Rad.-phono, mono*	203,	447,
other comb.	332,	106,
Clock-rads.*	190,	37,
Tr. rads. w/FM	33,	176,
Tr. rads., other	34,	514,
Auto radios	111,	161,
Trevrs., under 100 mw	111,	161,
Trevrs., other	111,	161,
Phonos	33,	33,
Tape players, auto	176,	176,
Tape rcrdrs., reel	514,	514,
Tape rcrdrs., cass.	111,	111,
Other cart., rcrdrs. & players*	161,	161,
Tape decks*	161,	161,

*Not reported separately

Tape topics:
Vp Milton Philips
Magnetics says 4
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JAPAN'S MAY EXPORTS: Japanese exports to U.S. of most key consumer electronics joined TV on up-side in May (Vol. 11:26 p10), according to Finance Ministry.

Total radio exports in month slipped less than 1% from May 1970 as 22% unit gain in auto radios nearly offset 2.4% home radio decline to 983,000. Exports of phonos & radio-phonos jumped 45.5% to 167,500; radio-recorder combinations were up 14.4%, while low-power transceivers increased 24.6%.

Cassette recorders continued as strong export item, with month's shipments up 46.6%; open reel volume took 62% nosedive; auto tape players held at year-earlier level. Following are Japanese May exports to U.S., with 1970 month's results for comparison:

JAPANESE EXPORTS TO U.S.

	May 1971		May 1970	
	Units	Value (\$)	Units	Value (\$)
Total TV.....	370,680	32,482,944	295,449	23,330,225
color.....	124,943	20,269,756	85,336	13,209,208
mono.....	241,539	12,069,472	209,113	10,082,017
auto chassis, kits..	4,198	143,717	1,000	39,000
radio-phonos, stereo..	43,573	2,851,092	95,941	2,671,611
radio-phonos, mono*..	90,515	1,063,833	-	-
radio-recrds. & other comb.	269,556	11,262,550	235,649	9,986,814
trans.-rads.*.....	203,004	3,289,022	-	-
trans. w/FM.....	447,470	10,796,364	689,680	14,057,537
trans., other.....	332,155	2,114,097	316,761	2,202,611
trans. radios.....	106,097	1,680,297	86,921	1,461,556
trans., under				
100 mw.....	190,650	659,711	152,978	596,758
other.....	37,262	1,047,725	31,386	774,017
players.....	33,349	466,661	19,193	332,075
tape players, auto..	176,436	3,183,556	177,334	3,928,261
tape recrds., reel..	34,776	1,459,706	90,719	2,142,906
tape recrds., cass..	514,692	8,779,947	351,154	7,275,775
other cart., recrds. & players*.....	111,871	2,956,658	-	-
tape decks*.....	161,593	5,171,864	-	-

*Reported separately in 1970.

Tape topics: Akai America joins ITA; Mktg. Milton Philipson named to ITA board... Audio Magnetics says 4 firms account for more than 75% of domestic blank cassette production in U.S.; claims supplies 30%, Company "M" 19%, Company "C" 12%, Company "B" 12%. Including imports, firm says 100 million cassettes will be sold this year, rising to 165 million in 1974... TEAC America moves hq to 10,000-sq.-ft.-facility at 7733 Telegraph Rd., Monrovia, Cal... Audio Magnetics has opened 60,000-sq.-ft. manufacturing facility in Lisbon, with capacity for 1 million blank cassettes monthly. Output of 8-track cartridges & reel tape is also planned. Firm has opened sales office in Geneva, expects Europe to account for 15%-18% of sales in 1972... Bell & Howell wins out-of-court cash settlement of lubricated-tape patent infringement suit brought by Faraday... Yamasa expands audio line this fall with addition of stereo cassette decks... Nortronics is experimenting with 40-hour work week for production staff; other employees will continue normal hours.

Report on Citizens Radio, 2-year study for FCC by Advanced Technology Systems, may be inspected by Commission's Office of Information, will be on sale soon. Analysis includes recommendations & statistics.

CANADA'S FIRST QUARTER: Canada's total TV market shrank in year's opening quarter, compared with same year-earlier period, with b&w unit volume off sharply, color posting increase, according to Dominion Bureau of Statistics (DBS). Total market equals domestic-made Canadian factory sales plus imports.

Sold in period were 184,646 TVs, off 5% from 1970 quarter, with color up 25.7% to 84,148, monochrome down 21.1% to 100,498. Total domestic-made factory TV sales were down 3%, as color jumped 34.8%, nearly offsetting 25.5% decline in b&w. TV imports fell 8%, with color up 9%, b&w down 15.2%. As result, Canadian-made TV took 61% market share in period, up from 59.7%; in color, domestic-made share was 69.3% (up from 64.6%), b&w 54% (down from 57.1%).

New TV import breakdown by screen size shows, for color: Under 18" (over-all diagonal), 7,381; 18", 7,446; over 18", 10,984. B&w: Under 18", 36,324; 18", 3,981; over 18", 5,964. U.S. was source for 90% of imported over-18" color sets, Japan principal supplier in all other sizes. DBS has discontinued publishing domestic-made sales by screen size. In table below, comparable year-earlier totals for home radio & phono sales aren't available; other figures indicate Canada's phono production, at 24,621 in period, was about 34% behind last year.

Canadian TV producers included in totals (which DBS indicates represent 100% of sales) are Admiral, Electrohome, Fleetwood, GE, Philco-Ford, Philips, RCA & Westinghouse. Clairtone was dropped from list in March. Matsushita (Canada), which was included in 1970, is off list this year.

CANADIAN FACTORY SALES*

	Jan.-March	
	1971	1970
Total TV.....	112,566	116,066
color.....	58,337	43,269
monochrome....	54,229	72,797
Radio-phonos....	24,989	26,131
Total phonos....	20,135	N.A.
mono.....	11,337	N.A.
stereo.....	8,798	N.A.
Home radios....	7,311	N.A.

CANADIAN IMPORTS

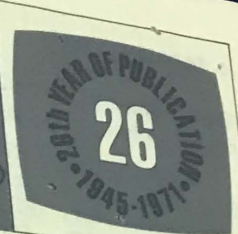
Total TV.....	72,080	78,287
color.....	25,811	23,694
monochrome....	46,269	54,593
Transistor radios..	250,183	382,579
Auto radio.....	120,197	102,742
Radio-phonos....	55,692	38,592
Phonographs.....	11,064	7,539
Tape rec. & players	145,184	224,977

*Includes "made-in-Canada" sets only.

International Radio & TV Exhibit in Berlin Aug. 25-Sept. 5, has exhibitors from 10 countries, with largest foreign group representing Japan. Highlight is expected to be first public demonstration of Teldec color video disc.

JULY 19, 1971
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 ERS
 Monochrome
 1970 1971 1970
 380,841 357,636 337,425
 366,622 367,551 333,212
 386,847 439,038 420,962
 247,521 324,428 299,822
 206,223 277,560 241,210
 391,479 405,033 385,127
 1,979,533 2,171,246 1,982,796
 ERS
 Console
 1971 1970
 Table 79,330 81,390
 142,933 76,513 165,989
 157,560 71,541 65,676
 199,578 46,405 47,208
 99,852 44,916 84,536
 111,880 88,856
 251,201
 369,754 485,614
 363,004
 Auto 1970
 1971 1970
 01,662 855,716 727,526
 01,348 887,379 848,471
 19,014 1,058,510 704,000
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The authoritative service for broadcasting, consumer electronics & allied fields

SEPTEMBER 20, 1971

SUMMARY-INDEX OF WEEK'S NEWS

VOL. 11, NO. 38

Broadcast

U.S. SATELLITE-TO-HOME TV experiment to start in Rocky Mountain states in May 1973 in plan pushed through WARC by HEW. Programming to last year, then NASA satellite will be shifted to orbit over India. NAB 'astounded'. (P. 1)

BURCH'S COMMITMENT TO CHILDREN'S TV: Says Mrs. Middle America has joined 'alienated & disaffected.' Expresses 'cautious optimism' about new programs, commercial cutbacks, Toy Code. (P. 2)

NAB CODE SET TO ATTACK growing practice of advertising 2 products in 30-sec. spot. Move led by large groups. Code subscribers polled on Preparation H. (P. 3)

SHAKER FOR LANGHOFF AT ARB: Firing of Langhoff as pres. comes as surprise since most problems with telecasters have been worked out. (P. 4)

WHITEHEAD-CHANGE TV VIA CATV: Hints at common carrier for cable, pushes pay TV, says trouble with industry is 'structure'. Hopes for Cabinet-committee report by Oct. 15. (P. 5)

CBS NEWS SHAKEUP IN L. A. follows House Subcommittee probe of news fakery. Network suspends correspondent Drinkwater for 90 days. (P. 5)

Consumer Electronics

PHILCO TESTS TV-LEASING plan for CATV subscribers in Greensburg, Pa., in pilot study which could lead to nationwide operation. Factory will supply & maintain color sets for \$15 per month. RCA establishes CATV group in Consumer Electronics Div. (P. 7)

MORE SHOCK WAVES for importers—new dumping complaint on Japan color tubes; get-tough policy urged by Presidential trade commission; threat of long future for surcharge; increased probability of East & Gulf port strikes. (P. 8)

CERAMIC THROWAWAY TV CIRCUITS being expanded by RCA. Production to reach 2-3 million rate by year's end with goal of putting 80% of color circuitry on disposable modules. Increased reliability, price competitiveness with imports seen as aims. (P. 9)

JULY IMPORT FIGURES show general decline from last year, reflecting strike at West Coast ports. Slump hits hardest at open-reel recorders, auto tape players. (P. 11)

OTP FEARS FCC VTR CONTROLS: Whitehead tells Burch FCC type-acceptance rules lean toward too much govt. intervention. (P. 11)

U.S. SATELLITE-TO-HOME TV IN 1973: Rocky Mountain states have been picked for govt.-backed satellite-to-home TV experiment slated to go on air in May 1973 via NASA satellite which eventually will be parked over India. Experiment, right out of blue, is result of little-noticed U.S. proposal (through HEW) which won approval at June-July WARC conference in Geneva—where nearly all the talk was about Indian experiment, not U.S. Satellite will be moved to Indian orbit after U.S. experiment.

ATS-F satellite will be used for year over Rocky Mountain states—area picked at secret meeting at Goddard Space Flight Center month ago—and will provide "good" signal from Mexico to Canada, and from Cal. to Kan. Satellite will be programmed 2 hours daily on one channel only, with 500 antennas to be provided by govt. for direct reception. Of these antennas, 30 will be for "public broadcast & cable installations," 70 for colleges, 150 for direct home reception, 100 in libraries, community centers, etc., 150 in public schools. In addition, "any individual, business or organization" can buy antenna for \$150-\$200 to receive satellite programming.

Programs will be aimed at all educational levels, and will be carried on ETV stations & cable systems in area, according to HEW, which has assigned job of coordinating experiment to Federation of Rocky Mountain States (FRMS)—formed several years ago by governors of 8 states.

sumer Electronics Exec. Vp Barton Kreuzer said goal is 8 ceramic modules by end of next year. Last year's announcement of ceramic modules was keyed to introduction of RCA's Argosy II, 19V" color portable with 110-degree short tube (Vol. 10:26 p10). Next week, company will introduce Argosy II, 19V" version, probably first 19V" 110-degree color set to be sold in U.S. Price is expected to be around \$500, or some \$50 higher than 18V".

RCA has been working toward from-the-ground-up production of sets via computer-controlled modular circuit output since 1964. According to company officials, goals are greater reliability, lower costs. How close are they? As to 2nd goal: "The modules now are unquestionably more reliable," said Chief Engineer Mike Glauberman.

First goal hasn't yet been reached—during shakedown period, module production was more expensive than conventional methods. But, according to Kreuzer, "as we go out of this year we will be competitive with Oriental [solid-state color sets], considering the surcharge. Next year we'll be able to beat the cost." Objective, as outlined by Operations Vp R. A. Schiebert, is to "make ceramic circuits comparable in costs to conventional hybrid circuits in Japan." Ceramics are used currently only in solid-state color TV and some stereo applications, but RCA intends to apply them to monochrome sets as well.

"We'd like to close out our Taiwan plant if we could be competitive here," said Schiebert. Does this mean RCA has decided not to make color sets in Taiwan? "We have no present plans," said Kreuzer, but conceded "we're analyzing the situation by the month, considering such factors as currencies, surcharge and so forth."

The circuits and their production methods are becoming increasingly sophisticated. RCA is currently in process of changing over from use of conventional packaged transistors on the modules to nearly microscopic "flip chips," which will be inserted automatically. IC chips will be used in future modules.

The 4 ceramic modules now in use carry list price of around \$8 each. Discrete modules using conventional components—yet to be converted to ceramics—run as high as \$30.15 (for 1" strip). They include power supply, horizontal oscillator, video sync, vertical, chroma (2 modules). More than 10,000 module caddies (complete sets) are now on service trucks, at about \$100 each. Changing modules, after simple trouble-shooting test, is as simple as replacing receiving tube. Module facility is managed by Ceramic Circuits Mgr. Don Fisher.

RCA's decision to quit general-purpose computer business, approved at week's end by special board meeting, will result in "one-time charge for 1971 that could reach \$250 million after tax," placing firm in "substantial loss position for this year," according to Chmn. Robert Sarnoff, who said no adverse effects are expected in future years. Decision to quit main frame business, he said, was dictated by studies showing industry will grow at lower rate than expected, with intensified pressures by "uniquely entrenched competition." To continue in race, RCA would require "massive infusion of capital"—probably more than \$500 million in next 5 years. RCA will concentrate computer efforts in areas of specialized data communications systems and computer maintenance.

Radio Shack, consumer electronics mail order & retail store subsidiary of Tandy Corp., plans network TV ad campaign. Bloom Advtg., Dallas, will handle account.

Obituary

Jordan Listick, 32, who was named Admiral Secy.-treas. last June, died Sept. 12 of apparent heart attack. Widow, 2 sons survive.

Ad campaigns: Zenith's fall push is largest seasonal drive in its history, starting with 2 weeks of commercials during 16 premiere shows on all 3 networks. Prime-time TV & magazine ads will continue through fall. Initial emphasis will be on 16V" portable & console color sets... GE is using "historic firsts in TV"—actual films, including company's 1928 public TV demonstration in 1928, first remote telecast (Al Smith accepting presidential nomination), etc.—as theme for ABC-TV saturation campaign, coordinated with local advertising.

First licensee announced by Columbia Records (in conjunction with CBS/Sony of Japan) for SQ stereo raphonic audio playback equipment has been taken out by Lafayette Radio. Lafayette equipment is scheduled to be sold in its retail stores and by catalog this fall when Columbia SQ discs become available.

At long last—HEW last week publicly issued anticipated statement that X-radiation from TV sets isn't "significant health hazard," that there was no evidence that TV set radiation had ever resulted in human injury and rescinding warning to sit 6-10 ft away. HEW's turnaround was reported in our 30 issue (Vol. 11:35 p10).

JULY IMPORTS PLUM... dock strike, which began decline in month's imports all other major consumer East, while record change Europe—posted major July 1970.

Commerce Dept. radio imports off 29% for radios down 30% for units off 21% to 897,000

Color TV, over 17V"	21
Japan	18
Taiwan	2
Color TV, 11-17V"	24
Japan	20
Taiwan	3
Color, 10V" & under	1
Japan	75
B&W, over 17V"	30
Japan	12
Taiwan	31
Mexico	148
B&W, 11-17V"	81
Japan	63
Taiwan	4
S. Korea	75
B&W, 10V" & under	52
Japan	23
Taiwan	251
Clock radio	12
Japan	33
Taiwan	89
Hong Kong	5
Tr. rad., AM, AC	5
Japan	1
Taiwan	2
Hong Kong	20
Tr. rad., AC, other	16
Japan	1
Taiwan	1
Hong Kong	1

OTP FEARS FCC VTI head, dir. of Nixon's Policy (OTP), is worried from VTRs, etc industry's tent. He e words in Sept. 9 letter received response ye warm cockles of Mot into problems with C wrote:

"While I recognize equipment does not le harmful interference this goal is best achieved in the design type acceptance. Co tained by creating ap interference, supple ceptance or review i

"As you know, v technologies the ma velop before imposi the vigor of innovati new applications of reduced... I fully re

Net Earnings	Per Share
19,965,000	-65
15,239,000	-24
8,094,000	-34
4,293,000	-07
(2,719,572)	-
810,972	-20
68,000	-06
29,000	-03
(531,236)	-

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109.95); 13V",
95 & \$129.95).
14V", \$14.90
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9.95), \$17.95
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5); FM-AM
95); 6-band,
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35 (\$99.95),
stereo-FM-AM
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); cassette

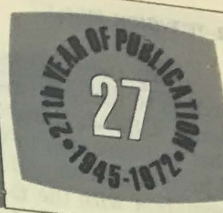
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WEEKLY

Television Digest®

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OCTOBER 11, 1971

SUMMARY-INDEX OF WEEK'S NEWS

VOL. 11, NO. 41

Broadcast

WHITEHEAD'S 'BREATH OF FRESH AIR' thrills broadcasters with proposals to get rid of fairness doctrine, 'get govt. out of programming' in renewal process, 'de-regulate' radio to point of near-regulation. (P. 1)

RESID AT FCC, WILEY CHOICE as Wells successor expected in next 10 days. President views swearing in of 2nd woman commissioner, will make commitment to appoint a black to June vacancy. Houser returns to Minow law firm. (P. 3)

SPENDING BILL CLOUDED by veto threats, as House Commerce & Administration committees approve conflicting bills, override GOP opposition. Republicans oppose limits on TV-radio & contributions, will back Senate bill instead. (P. 3)

TV CODE MOVES ON CLUTTER: Subcommittee would tighten definition of integrated spots. SRA wants ban of more than one product in less than 60 sec. Prep H leading station poll by 2-1. (P. 4)

BURCH TALKS WITH CATV COMBATANTS: Seeks to smooth way for policy implementation. NAB disappointed with discussions. Staggers tells OTP not to usurp FCC functions. (P. 5)

MANY COOL TOWARD NAB DRIVE for legislation on renewals. Little chance of passage seen. Networks hold back support. (P. 5)

WHITEHEAD'S 'BREATH OF FRESH AIR': To delight of broadcasters, OTP Dir. Clay T. Whitehead uncorked some blockbusters before IRTS last week, calling for legislation to:
(1) Eliminate fairness doctrine. (2) "Change the license renewal process to get the government out of programming." (3) "De-regulate" radio to point of virtually no govt. regulation. Whitehead said he had no draft of legislation to accomplish foregoing, admitted he was putting ideas forth for discussion. Asked whether his suggestions reflect Nixon's ideas, Whitehead told reporters: "They reflect the broad view of the Administration, but I don't want to tie the President to any specific proposal."

Though broadcasters cheered quickly & lustily, there will of course be vigorous opposition from "access" groups and their champions in Congress. Some cynics profess to find Whitehead's speech part of Administration effort to cultivate broadcasters as 1972 elections approach. Whatever his objectives, Whitehead has again displayed willingness to propound strong medicine. In a way, it reflects fact he worked for a time at Rand Corp.—"think tank" where exploration of innovations is way of life. Among first reactions to speech:

Consumer Electronics

COLOR BREAKS THROUGH to 9-month record of 4,074,500 domestic-label sets, with 199,000 sold in final Sept. week, 3rd best week in history. Signs point to color's first 6-million-set year. (P. 7)

TV INDUSTRY INJURY HEARING before Tariff Commission in Washington sheds little new light, as testimony concentrates on legal points. Magnavox pledges return to all-U.S. production if duty rate is raised; Zenith claims serious injury. IUE loses \$67 million suit against Japan TV makers. Japan bows to U.S. pressure on textile quotas. (P. 7)

HOTEL-MOTEL TV—another off year seen, with sales declining for 3rd consecutive time—but Philco's Tele-sound, claiming No. 2 spot, cites gains. Rentertainment consumer leasing program may move into Pittsburgh with large-dealer participation. (P. 9)

VTR & 'MYSTERY PRODUCT' on Magnavox sales agenda for 1972. Platt claims increased color market share, with record company sales, increased profit in 3rd quarter. (P. 10)

EIA EXAMINES COLOR set standardization to improve reception uniformity, names new consumer affairs coordinator, opposes FCC type acceptance for videoplayers. Unified foreign trade position postponed. (P. 11)

OCTOBER 11, 1971

ciently great to warrant consideration at our executive committee meeting Oct. 21," when Philco officials will be invited to discuss concept.

In all probability, Philco isn't looking for much help with Rentertainment from smaller dealers. In fact, franchising of regular Philco line, started last year, squeezed thousands of small outlets out of Philco family. If present test shows promise, indications are that next Rentertainment venture will be in major market—understood to be Pittsburgh, where 3 large retail operations, including Firestone Stores and Kelly & Cohen, are expected to participate.

MAGNAVOX '72—VTR, 'MYSTERY PRODUCT': Magnavox's spring 1972 line will feature at least one VTR, low-cost color camera and as-yet-undefined mystery device which "will introduce a new dimension to color TV."

That was part of message given to N.Y. security analysts last week by Pres. Robert Platt & Magnavox Consumer Electronics Pres. George Fezell. Other part was that 3rd-quarter earnings were up 19% from 1970, with record sales up 12% (see financial table) and prospects look good.

VTR will be shown to dealers next May, on market in fall, and will be aimed at educational-industrial & consumer markets. Platt declined to state which system would be used, but indicated it is not Magnavox's own development. "We will probably come in with 2 [VTR] products, but we're in active discussion with many." Initially, VTR "will not be inexpensive, and at its price range not a major consumer electronic product." He said complete VTR package will be more than \$1,000. Magnavox is known to have had discussions with Cartridge TV, Ampex, Philips, perhaps other VTR developers. "In the long run," said Platt, "Teldec [video disc] is a very interesting development. Our 1972 program doesn't encompass it. We are talking tape."

The mystery product? Fezell's teaser: "It will work with any make of color or b&w TV, but will be best with large-screen color. It will appeal to young & old. It will attach to the antenna terminals. It will sell for less than \$100." Your guess is as good as ours. Other comments by Magnavox topkicks:

Current business: "Significant sales pick-up in the latter part of Sept. Our market share in color TV is better than it was last year. The dock strike is hurting, tying up needed merchandise, but most of it is in small, low-cost items." Fourth quarter will be very competitive, with short-term dislocation caused when pre-surge products piled up by the dock strike start to come in. Fezell said 81% of Magnavox dealers report inventories in line with sales. Dealers, he added, are carrying lower inventories, buying more frequently in smaller quantities—a situation which he forecast will lead to fewer dumps, stabilizing prices.

FTC consent decree: "Our sales in non-fair-trade states are keeping pace with those in fair-trade states. We are not losing penetration. We're satisfied we can live with it."

Canadian operations: Platt hinted that Magnavox would start manufacturing north of border. "We don't believe anyone can hope to export and be a factor of consequence in any country outside of the U.S." But Fezell stated that company's first year of Canadian sales showed profit.

Solid-state color: "We have held back due to wide acceptance of our hybrid chassis and softness in pricing of the competition's solid-state chassis—the premium isn't sufficient to cover the additional manufacturing cost. We will introduce a solid-state chassis in 1972."

Sales breakdown: Slightly less than half of company's 1971 business has come from consumer electronics; home furnishings & musical instruments contributed 26% and was fastest-growing group; govt. & industrial accounted for 25%. Company is continuing to decrease its relative dependence on consumer electronics.

Price cutting: "There are morons in every industry," said Platt. "This is the most ridiculous time to be cutting prices. We have taken action to preserve our position in the market and we will do it regularly." (For Magnavox position on imports, see p. 8).